

DAMON R. TALLEY, P.S.C.

112 N. LINCOLN BLVD.
P.O. BOX 150
HODGENVILLE, KENTUCKY 42748

TEL. (270) 358-3187
FAX (270) 358-9560

DAMON R. TALLEY

ATTORNEY AT LAW

April 13, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

APR 19 2006

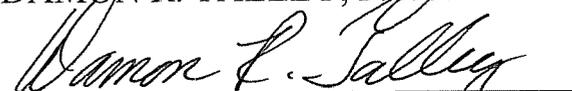
PUBLIC SERVICE
COMMISSION

RE: Case No. 2005-00433
Transfer Application
Proposed Transfer of Stock from
Nuon Global Solutions USA BV
to Hydro Star, LLC

Dear Ms. O'Donnell:

Enclosed for filing are the original and eight (8) copies of the Notice of Filing of the Acknowledgement Letters from Highstar, Hydro Star, Utilities, and Water Service.

Yours truly,
DAMON R. TALLEY, P.S.C.


Damon R. Talley, Attorney for Joint
Applicants

DRT:ms

Enclosures

cc: David Spenard, Attorney General's Office

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE JOINT APPLICATION OF)	
NUON GLOBAL SOLUTIONS USA, BV,)	
NUON GLOBAL SOLUTIONS USA, INC.,)	
AIG HIGHSTAR CAPITAL II, LP,)	
HYDRO STAR, LLC, UTILITIES, INC.)	
AND WATER SERVICE CORPORATION)	CASE No. 2005-00433
OF KENTUCKY FOR APPROVAL OF AN)	
INDIRECT CHANGE IN CONTROL OF A)	
CERTAIN KENTUCKY UTILITY PURSUANT)	
TO THE PROVISIONS OF KRS 278.020 (5))	
AND (6) AND 807 KAR 5:001 (8))	

*** **

NOTICE OF FILING

OF

ACKNOWLEDGEMENT LETTERS

*** **

Come the Joint Applicants, Nuon Global Solutions USA, B.V. (“Nuon BV”), Nuon Global Solutions USA, Inc. (“Nuon USA”), AIG Highstar Capital II LP (“Highstar”), Hydro Star, LLC (“Hydro Star”), Utilities, Inc. (“Utilities”) and Water Service Corporation Of Kentucky (“Water Service”), (the “Joint Applicants”), by counsel, and give notice that they are filing with the Commission Acknowledgement Letters as ordered by the Commission.

1. Attached are the Acknowledgement Letters from the following entities:

A. Water Service

B. Utilities

C. Hydro Star

D. Highstar

2. These Acknowledgement Letters are being filed to comply with the provisions of the Commission's March 8 and April 3, 2006 Orders. These Acknowledgement Letters were previously electronically filed with the Commission.

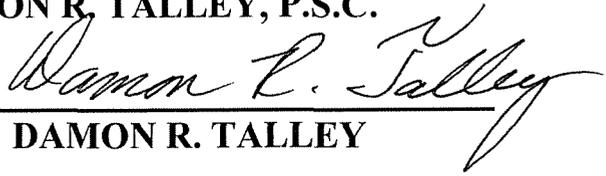
3. The Chief Executive Officer (the "CEO") of Utilities and Water Service signed the Acknowledgement Letters as directed by the Commission. Neither Hydro Star nor Highstar has a CEO since these entities are not corporations.

4. Hydro Star's Acknowledgement Letter was signed by its President, John Stokes. Highstar's Acknowledgement Letter was also signed by John Stokes, who is one of its partners. Mr. Stokes has the full authority to agree to the conditions imposed on Highstar and Hydro Star by the Commission's Orders of March 8 and April 3, 2006. The Acknowledgement Letters signed by Mr. Stokes constitute fully binding obligations of both Hydro Star and Highstar.

Respectfully submitted this 13th day of April, 2006.

DAMON R. TALLEY, P.S.C.

BY:


DAMON R. TALLEY

DAMON R. TALLEY, P.S.C.

PO BOX 150

HODGENVILLE, KY 42748

270-358-3187 FAX: 270-358-9560

COUNSEL FOR NUON BV, NUON USA,

HIGHSTAR, HYDRO STAR,

UTILITIES, INC. AND WATER

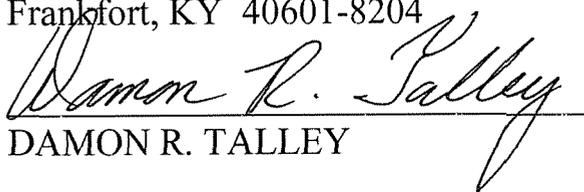
SERVICE

drtalley@alltel.net

CERTIFICATE OF SERVICE

This is to certify that a true copy of the foregoing pleading was served by first class U.S. Mail, postage prepaid, this 18 day of April, 2006 to the following:

Honorable David E. Spenard
Assistant Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204


DAMON R. TALLEY

UTILITIES, INC.

2335 Sanders Road
Northbrook, Illinois 60062-6196
Telephone 847 498-6440
Facsimile 847 498-2066

April 10, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2005-00433
Acknowledgment

Dear Ms. O'Donnell:

I am submitting this written acknowledgement in my capacity as the Chief Executive Officer of Water Service Corporation of Kentucky ("Water Service"). Pursuant to the provisions of the March 8, 2006 Order in this case, Water Service hereby accepts and agrees to be bound by the commitments set forth in Appendix A of the Commission's March 8, 2006 Order. Specifically, Water Service agrees as follows:

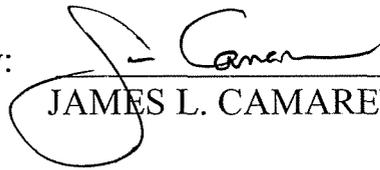
1. The accounting and rate-making treatments of Water Service's excess deferred income taxes will not be affected by the merger.
2. The payment for Nuon USA stock will not be recorded on Water Service's books.
3. The premium that Hydro Star pays for Nuon USA stock, as well as all transaction-related costs, will not be "pushed down" to Water Service and will not be recovered from Water Service's ratepayers.
4. Early termination costs related to the transfer incurred for any senior management of Nuon USA or Utilities will not be allocated to Water Service.

5. The customers of Water Service will experience no change in utility service due to the stock purchase.
6. Water Service will adequately fund, construct, operate, and maintain Water Service's treatment, transmission, and distribution systems; comply with all applicable Kentucky statutes and administrative regulations; and supply the service needs of Water Service customers.
7. Water Service will, for calendar year 2006 and for the next 5 years thereafter, include with its annual report to the Commission a table that shows each water quality standard imposed by law, the number of water service interruptions, the average employee response time to water service interruptions, the number of customer complaints, and the customer inquiry response time for each calendar year from 2006.
8. Water Service will annually file with the Commission its current 2-year capital and operation and maintenance budgets and an explanation for any reduction in a budgeted item.

If you need any additional information, please let us know.

Yours truly,
WATER SERVICE
CORPORATION OF KENTUCKY

By:



JAMES L. CAMAREN, CEO

cc: David Spenard, Attorney General's Office

UTILITIES, INC.

2335 Sanders Road
Northbrook, Illinois 60062-6196
Telephone 847 498-6440
Facsimile 847 498-2066

April 10, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2005-00433
Acknowledgment

Dear Ms. O'Donnell:

I am submitting this written acknowledgement in my capacity as the Chief Executive Officer of Utilities, Inc. Pursuant to the provisions of the March 8, 2006 Order in this case, Utilities, Inc. hereby accepts and agrees to be bound by the commitments set forth in Appendix A of the Commission's March 8, 2006 Order. Specifically, Utilities, Inc. agrees as follows:

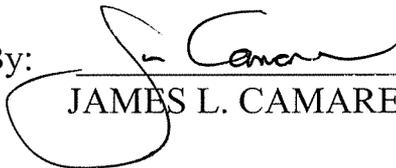
1. The accounting and rate-making treatments of Water Service's excess deferred income taxes will not be affected by the merger.
2. The payment for Nuon USA stock will not be recorded on Water Service's books.
3. The premium that Hydro Star pays for Nuon USA stock, as well as all transaction-related costs, will not be "pushed down" to Water Service and will not be recovered from Water Service's ratepayers.
4. Early termination costs related to the transfer incurred for any senior management of Nuon USA or Utilities will not be allocated to Water Service.

5. Utilities will take an active and ongoing role in managing and operating Water Service in the interests of customers, employees, and the Commonwealth of Kentucky, and take the lead in enhancing Water Service's relationship with the Commission, with state and local governments, and with other community interests. Representatives of Utilities will meet at least annually with representatives of the Commission.
6. The customers of Water Service will experience no change in utility service due to the stock purchase.
7. Utilities will adequately fund, construct, operate, and maintain Water Service's treatment, transmission, and distribution systems; comply with all applicable Kentucky statutes and administrative regulations; and supply the service needs of Water Service customers.

If you need any additional information, please let us know.

Yours truly,
UTILITIES, INC.

By:



JAMES L. CAMAREN, CEO

cc: David Spenard, Attorney General's Office

HYDRO STAR, LLC

April 10, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2005-00433
Acknowledgment

Dear Ms. O'Donnell:

I am submitting this written acknowledgement in my capacity as the President of Hydro Star, LLC ("Hydro Star"). Hydro Star accepts and agrees to be bound by the following commitments set forth in Appendix A of the Commission's March 8, 2006 Order, but as modified by the Commission's April 3, 2006 Order. Specifically, Hydro Star agrees as follows:

1. The premium that Hydro Star pays for Nuon USA stock, as well as all transaction-related costs, will not be "pushed down" to Water Service and will not be recovered from Water Service's ratepayers.
2. Hydro Star and Utilities will take an active and ongoing role in managing and operating Water Service in the interests of customers, employees, and the Commonwealth of Kentucky, and take the lead in enhancing Water Service's relationship with the Commission, with state and local governments, and with other community interests. Representatives of Hydro Star and Utilities will meet at least annually with representatives of the Commission.
3. Hydro Star will notify the Commission subsequent to its board approval and as soon as practicable following any public announcement of any acquisition of a regulated or non-regulated business representing 5 percent or more of Hydro Star's market capitalization.

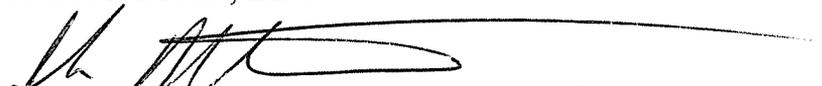
4. Hydro Star, Utilities, and Water Service will adequately fund, construct, operate, and maintain Water Service's treatment, transmission, and distribution systems; comply with all applicable Kentucky statutes and administrative regulations; and supply the service needs of Water Service customers.

If you need any additional information, please let us know.

Yours truly,

HYDRO STAR, LLC

By:



JOHN STOKES, PRESIDENT

cc: David Spenard, Attorney General's Office

April 10, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2005-00433
Acknowledgment

Dear Ms. O'Donnell:

I am submitting this written acknowledgement in my capacity as a Partner of AIG Highstar Capital II, L.P. ("Highstar"). I am duly authorized to make this acknowledgement on behalf of Highstar.

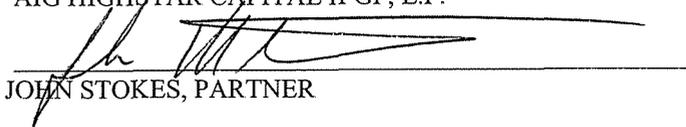
Highstar accepts and agrees to be bound by the following commitment, set forth in Appendix A of the Commission's March 8, 2006 Order, but as modified by the Commission's April 3, 2006 Order. Specifically, Highstar agrees as follows:

Highstar, Hydro Star, Utilities, and Water Service will adequately fund, construct, operate, and maintain Water Service's treatment, transmission, and distribution systems; comply with all applicable Kentucky statutes and administrative regulations; and supply the service needs of Water Service customers.

If you need any additional information, please let us know.

Yours truly,
AIG HIGHSTAR CAPITAL II, L.P.

By: AIG HIGHSTAR CAPITAL II GP, L.P.

By: 
JOHN STOKES, PARTNER

cc: David Spenard, Attorney General's Office